



Resources Limited  
ABN 52 064 121 133

## QUARTERLY REPORT

for the three months ended  
31 March 2018

### ASX Code - JRL

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This report and further  
information are available on  
Jindalee's website at:

[www.jindalee.net](http://www.jindalee.net)



Pip Darvall  
Chief Executive Officer  
30 April 2018

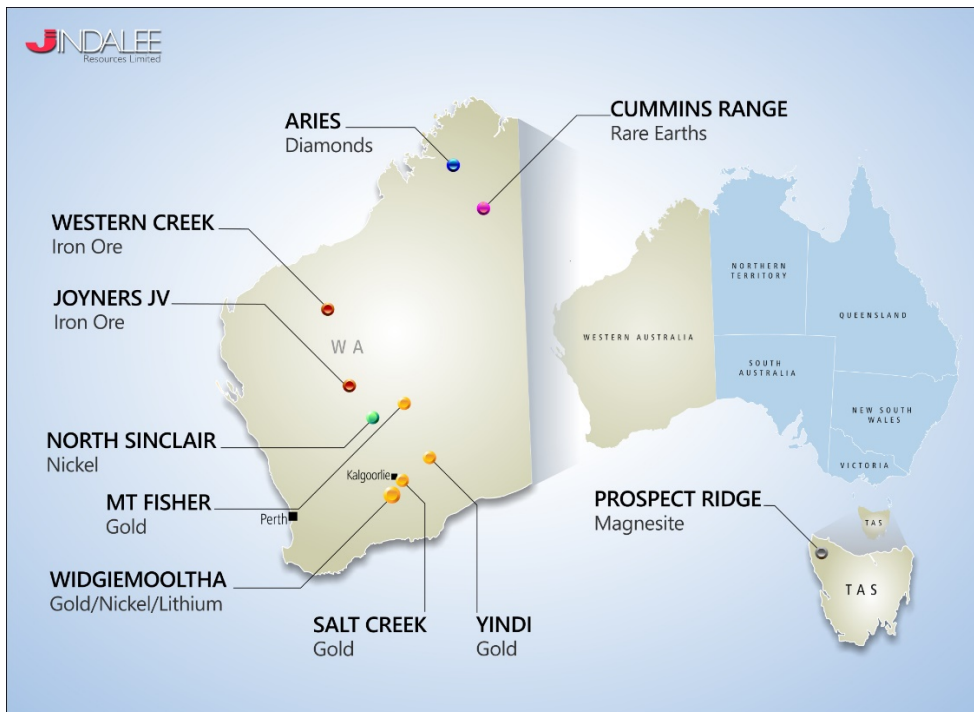


Figure 1: Location of Jindalee's key projects

## HIGHLIGHTS

- \* Option over Millrose (E53/1962) sold to Alloy Resources Limited.
- \* An additional 6 tenement applications were lodged over areas in WA prospective for iron ore, gold and nickel, with 4 tenements granted.
- \* Jindalee continues to actively explore options for its non-core tenure to allow it to focus on the growing tenement position at Widgiemooltha.

## FINANCIAL

- \* The Company has a total of 34.9 million shares on issue.
- \* At 31 March 2018, Jindalee had no debt and held cash and shares worth \$5.0M (equivalent to \$0.14 per share).

## **MAGNESITE**

### **Prospect Ridge Project** (Jindalee 100%)

The Prospect Ridge Project comprises one granted Exploration Licence (EL5/2016), covering the Arthur River and Lyons River magnesite deposits, located 55km southwest of Burnie in NW Tasmania. Following on from the resource estimate for the Arthur River deposit previously announced<sup>1</sup>, metallurgical test work on composite samples of both oxidised and fresh magnesite mineralisation from the deposit continued throughout the March quarter. Progress has been slow due to the multi-stage processing required, and the need for individual stages to be conducted at laboratories located in Tasmania and Western Australia.

Several combinations of calcine and flotation processes +/- magnetic separation were trialled (e.g. Figure 2), with results indicating that separation of composite samples representing the bulk orebody is unlikely to achieve the required grades and recoveries for an economic process. Accordingly, a new series of tests is underway to determine the potential for upgrading higher grade portions of the orebody, with details to be reported as they are received.



*Figure 2: Prospect Ridge Project – magnetic separation testwork on magnesite (calcined magnesite)*

## **GOLD and BASE METALS**

### **Widgiemooltha Project** (Jindalee 100%)

Jindalee has continued to build on its already substantial ground position in the Widgiemooltha area, adding a further three tenement applications during the quarter (Figure 3). Numerous historic and currently operating gold and nickel mines are present in the district, and significant new discoveries continue to be made (e.g. Invincible – discovered by Goldfields and Baloo – discovered by S2 Resources and recently acquired by Westgold Limited). More recently the potential for pegmatite related mineralisation (e.g. lithium, caesium, tantalum and tin) has been identified and adds further prospectivity to the ground already held.

A district scale targeting study and review of historic work by an external consultant was commenced during the quarter, with an expected completion date of early May.

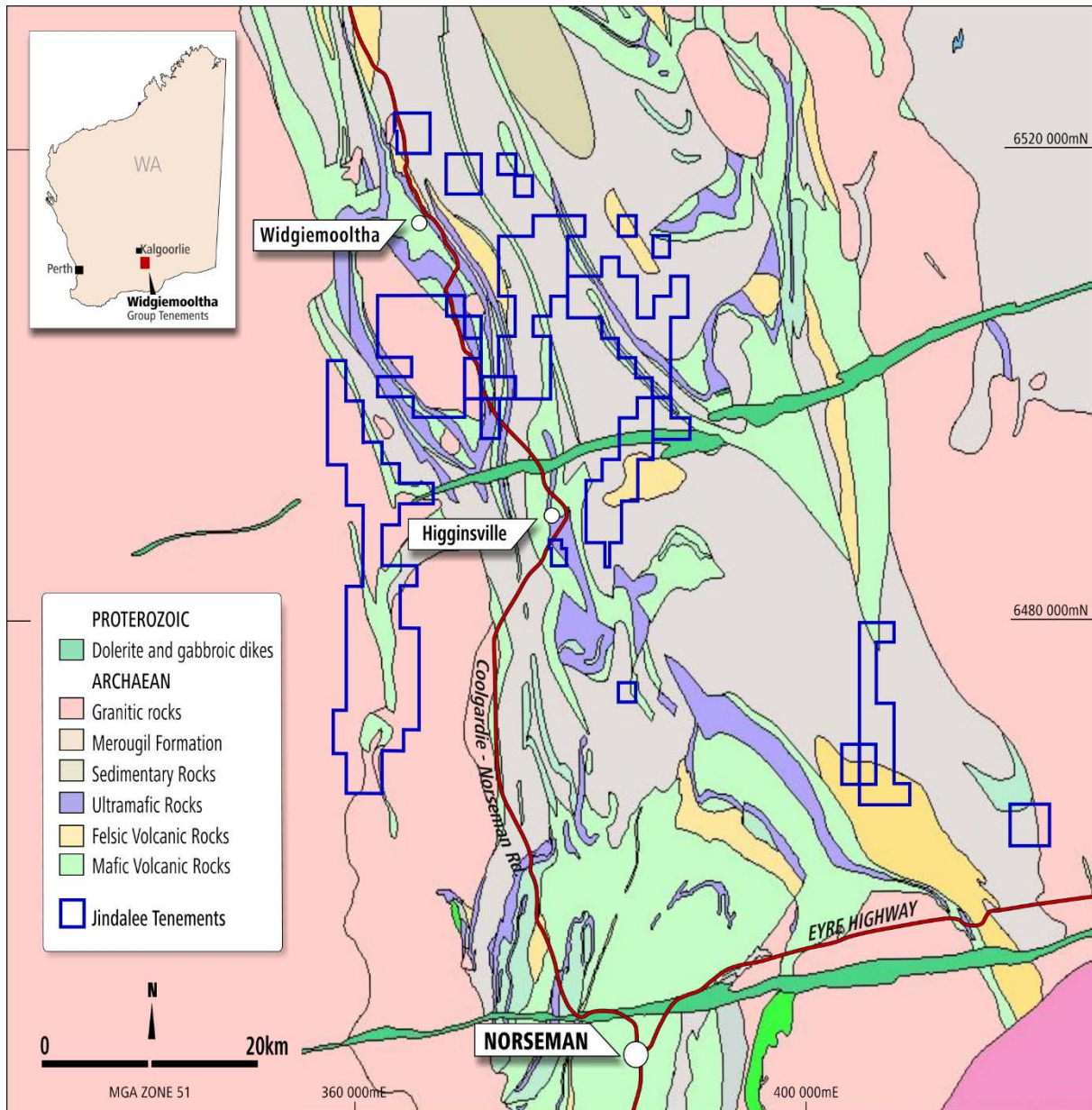


Figure 3: Widgiemooltha Project tenements over regional geology as at 31 March 2018. Note some portions of the tenements are excised by pre-existing mining and other leases.

## Yindi

(Jindalee 100%)

The Yindi Project tenement (E28/2708) located 135km NE of Kalgoorlie (Figure 4) was granted during the quarter. The tenement covers the southern end of the highly endowed Laverton Tectonic Zone and abuts Apollo Consolidated's (ASX: AOP) Rebecca Project. Apollo continues to report additional positive drill intercepts from its 161 Lode gold discovery (including 24m @ 7.88 g/t, 34m @ 3.93 g/t & 25.8m @ 6.71 g/t<sup>2</sup>) and Jindalee is currently reviewing the best option(s) for moving the project forward.



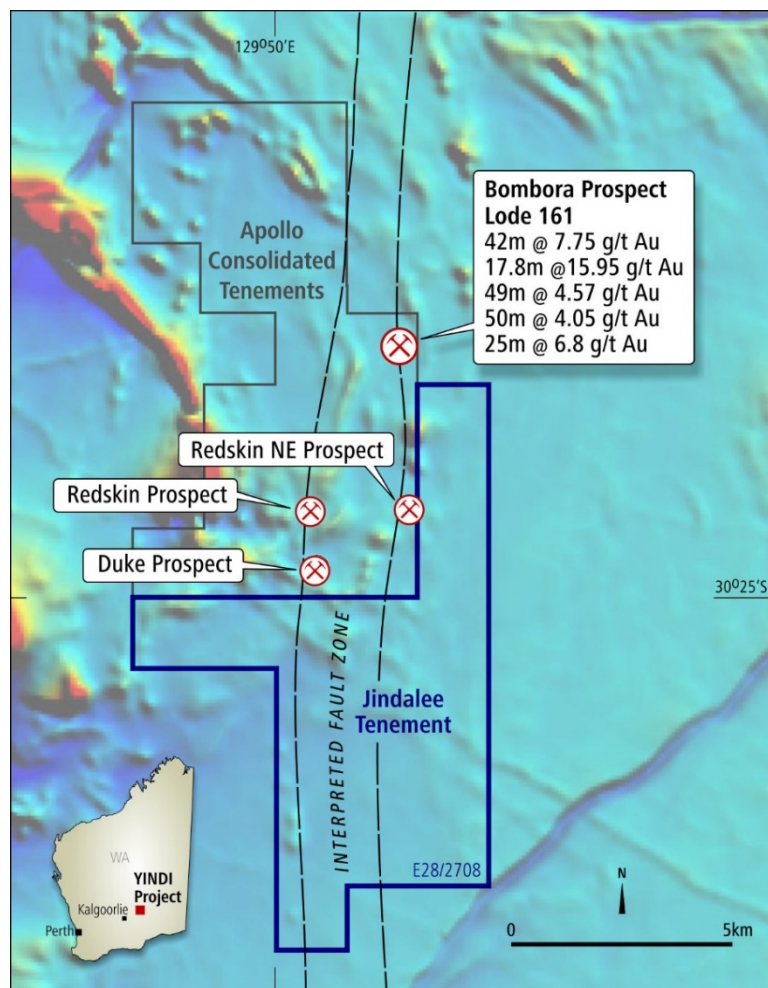


Figure 4: Yindi Project tenements over regional aeromagnetics.

## Millrose

(Jindalee 100%)

Jindalee's Millrose tenement (E53/1962) is located in the Yandal greenstone belt ~40km east of Wiluna. During the quarter the tenement was granted, and an agreement was reached with Alloy Resources Limited (ASX: AYR) who acquired an option to purchase the tenement. Details of the agreement were released to the market by Alloy on 7 March 2018<sup>3</sup>, with the key terms reproduced below:

- 1) A non-refundable payment upon execution comprising \$50,000 cash and \$50,000 in Alloy shares.
- 2) Alloy to expend a minimum of \$34,000 on exploration on E53/1962 during its first year of grant and keep the tenement in good standing prior to withdrawal from this agreement,
- 3) At the 1<sup>st</sup> anniversary of grant of E53/1962 Alloy can elect to either withdraw from the agreement with E53/1962 reverting 100% to Jindalee, OR pay a further \$50,000 cash and \$50,000 in Alloy shares to acquire a 100% interest in E53/1962, with a 2% NSR to be retained by Jindalee.

## DIAMONDS

### Aries Project

(Jindalee E80/5027 and E04/2512, diamond rights on E80/5117)

Jindalee's Aries project is located in the central Kimberley region of Western Australia, approximately 270km east of Derby. The project comprises a granted Exploration Licence (E80/5027), an exploration licence application (E04/2512), and the diamond rights on an adjacent tenement (E80/5117), Figure 5. The overall Aries Project covers a substantial 1048 km<sup>2</sup>, with numerous targets warranting follow up.

E80/5027 covers the Aries kimberlite cluster, including the Aries, Athena, Helena and Persephone diamondiferous kimberlite pipes. Jindalee believes that there is very good potential to find additional diamondiferous pipes and alluvial diamond deposits in the area. Encouragingly, 95% of the diamonds recovered from the project have been gem quality. Jindalee is currently considering various options to further advance or divest the Project.

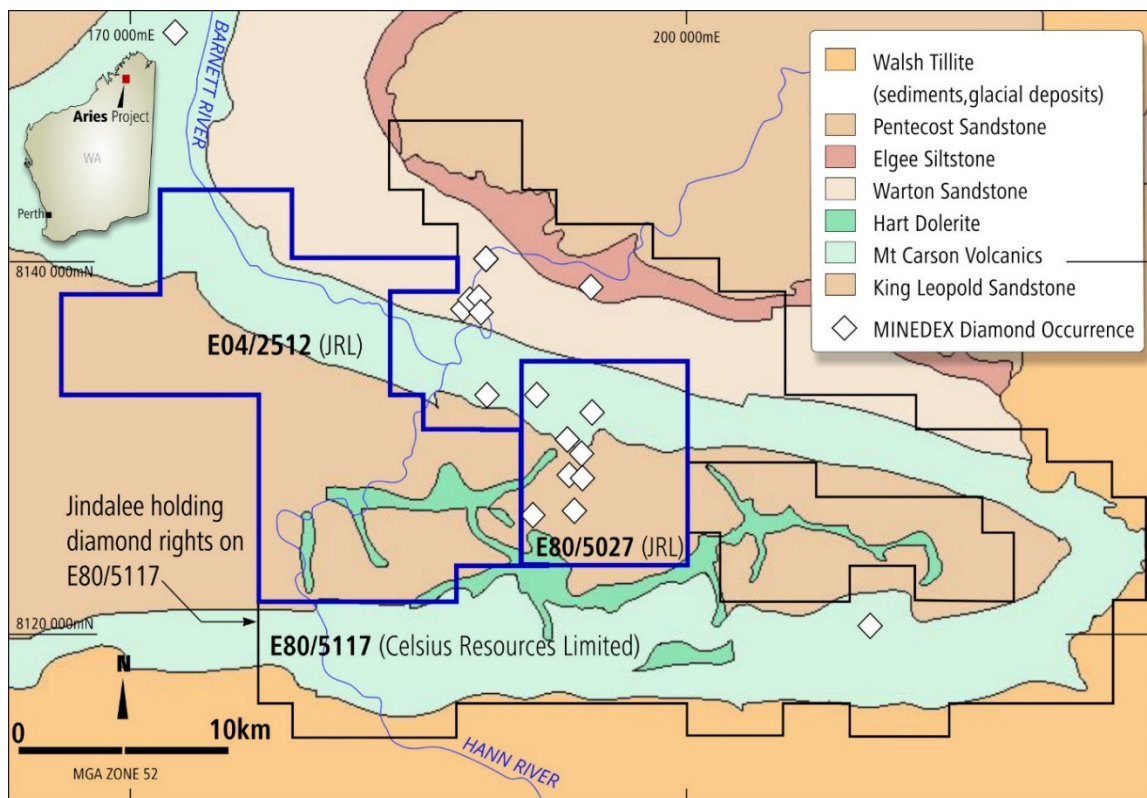


Figure 5: Aries Project tenure and geology showing historic diamond occurrences.

## IRON ORE

### Joyners

(Jindalee 20% free carried)

The Joyners joint venture with GWR Group Limited forms a part of GWR's much larger Wiluna West project. GWR has earned an 80% interest in M53/1078, with Jindalee maintaining a 20% equity position, free-carried through to completion of a Bankable Feasibility Study. The joint venture tenement contains previously published indicated and inferred iron oxide resources at Joyners North. No work was completed at Joyners during the period.

## Pilbara

(Jindalee 100%)

Jindalee holds six tenement applications in the Tom Price and Newman areas of the Pilbara, prospective for direct shipping iron ore. With a number of these subject to ballot Jindalee will wait until grant has been resolved before making a decision on the future direction for these projects

## RARE EARTHS

### Cummins Range

(Jindalee 100%)

The Cummins Range project comprises a single Exploration Licence application (E80/5091) located approximately 125km SW of Halls Creek in the southeastern Kimberley, WA. The application was subject to competing tenement applications with priority determined by ballot.

Subsequent to the ballot, Jindalee gained priority over the 'Cummins Range Satellite' rare earth oxide (REO) prospect<sup>4</sup> with priority over the area covering the historic resource at Cummins Range being awarded to another party.

## CORPORATE

At 31 March 2018, Jindalee held cash and marketable securities worth approximately \$5.0M. These assets, combined with our tight capital structure (34.9M shares on issue), provide a strong base for leverage into new opportunities.

### Alchemy Resources Limited

(Jindalee 4.96% of issued capital)

Jindalee is Alchemy Resources Limited's (ASX: ALY) third largest shareholder, providing shareholders with exposure to Alchemy's Bryah Basin gold and base metals project (WA), the Karonie gold project (WA), and a farm in and joint venture with Heron Resources Limited over gold and base metal prospective properties in central NSW (the Cobar Basin/Lachlan Fold Belt Projects).

During the quarter Alchemy announced the commencement of drilling at its gold and base metal projects in the Cobar Basin of NSW, and an expansion of their existing farm in and joint venture agreement with Heron Resources Limited to include additional licences prospective for nickel and cobalt<sup>5</sup>. Post quarter end Alchemy issued shares to Heron to acquire these new licences, resulting in Jindalee's holding falling below 5%.

### Energy Metals Limited

(Jindalee 6.7% of issued capital)

Jindalee holds approximately 14 million Energy Metals shares, giving shareholders continued exposure to the development of the Bigrlyi uranium-vanadium deposit and the potential of Energy Metals' other uranium projects. There were no Energy Metals Limited announcements of significance during the quarter.

## **ADDITIONAL INFORMATION**

### **Notes:**

1. Reference: JRL's announcement to ASX dated 10 October 2017 and titled, "*Arthur River Magnesite Deposit – JORC (2012) Resource Estimate*".
2. Reference: Apollo Consolidated Limited announcement to ASX dated 26 April 2018 and titled, "*Quarterly Activities Report – March 2018*", and preceding ASX announcements by Apollo Consolidated Limited.
3. Reference: Alloy Resources Limited announcement to ASX dated 7 March 2018 and titled, "*Alloy Secures New Ground South of Horse Well Project*".
4. Reference: Kimberley Rare Earths announcement to ASX dated 13 February 2012 and titled, "*Cummins Range update*".
5. Reference: Alchemy Resources Limited announcements to ASX dated 13 April and titled, "*Alchemy Executes Ni-Co Option Agreement*" and "*Karonie RAB Drilling Results*".

### **Competent Person Statement**

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Pip Darvall and Mr Lindsay Dudfield. Mr Darvall is an employee of the Company and Mr Dudfield is a consultant to the Company. Both Mr Darvall and Mr Dudfield are members of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Both Mr Darvall and Mr Dudfield have sufficient experience, relevant to the styles of mineralisation and types of deposits under consideration, and to the activity which they are undertaking, to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves.' Both Mr Darvall and Mr Dudfield consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

### **Forward-Looking Statements**

This document may contain certain forward-looking statements. Forward-looking statements include, but are not limited to statements concerning Jindalee Resources Limited's (Jindalee's) current expectations, estimates and projections about the industry in which Jindalee operates, and beliefs and assumptions regarding Jindalee's future performance. When used in this document, the words such as "anticipate", "could", "plan", "estimate", "expects", "seeks", "intends", "may", "potential", "should", and similar expressions are forward-looking statements. Although Jindalee believes that its expectations reflected in these forward-looking statements are reasonable, such statements are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Jindalee and no assurance can be given that actual results will be consistent with these forward-looking statements.

## Tenement Information

Project	Tenement ID	Location	Status	Interest at beginning of Qtr	Interest at end of Qtr
Mt Barnett	E04/2512	Western Australia	Application	0%	100%
Planets	E15/1549	Western Australia	Granted	100%	100%
Widgie	E15/1552	Western Australia	Granted	100%	100%
Higginsville	E15/1560	Western Australia	Application	100%	100%
Highway	E15/1563	Western Australia	Application	100%	100%
Railway	E15/1564	Western Australia	Granted	100%	100%
Highway	E15/1578	Western Australia	Application	100%	100%
Wannaway	E15/1598	Western Australia	Application	100%	0%
Wannaway	E15/1614	Western Australia	Application	100%	0%
Highway	E15/1617-19	Western Australia	Application	100%	100%
Lawry	E15/1624-6	Western Australia	Application	100%	100%
Planets	E15/1627	Western Australia	Application	100%	100%
Douglas	E15/1630-31	Western Australia	Application	100%	100%
Wannaway	E15/1636	Western Australia	Application	0%	100%
Tramway	E15/1637	Western Australia	Application	0%	100%
Planets	E15/1639	Western Australia	Application	0%	100%
Douglas	P15/6184-5	Western Australia	Application	100%	0%
Thelma Dam	E16/502	Western Australia	Application	100%	100%
Salt Creek	E25/562	Western Australia	Granted	100%	100%
Salt Creek	E25/572	Western Australia	Application	0%	100%
Yindi	E28/2708	Western Australia	Granted	100%	100%
Victoria	E28/2711*	Western Australia	Application	100%	100%
North Sinclair	E36/895	Western Australia	Application	100%	100%
Camel Bore	E36/910	Western Australia	Granted	100%	100%
Brilliant	E36/915	Western Australia	Application	100%	100%
New Bore	E38/3211	Western Australia	Granted	100%	100%
Kelly Well	E38/3272	Western Australia	Application	100%	100%
Kenya	E39/1998	Western Australia	Granted	100%	100%
Kenya	E39/2005	Western Australia	Granted	100%	100%
Mt Samson	E47/3975-6	Western Australia	Application	0%	100%
Prairie Downs	E52/3445	Western Australia	Application	100%	0%
Western Creek	E52/3520	Western Australia	Application	100%	100%
Buna	E52/3589	Western Australia	Application	100%	100%
Butler	E52/3595	Western Australia	Application	100%	100%
Mt Fisher	E53/1898	Western Australia	Granted	100%	100%
Firestrike	E53/1911*	Western Australia	Application	100%	100%
Millrose	E53/1962	Western Australia	Granted	100%	100%
Tokay	E57/1061	Western Australia	Application	100%	100%
Windimurra	E58/513	Western Australia	Granted	100%	100%
Taipan	E63/1823	Western Australia	Granted	100%	100%
Jeffreys Find	E63/1832	Western Australia	Granted	100%	100%
Chalice	E63/1839	Western Australia	Application	100%	0%
Killaloe	E63/1874	Western Australia	Application	100%	100%
Killaloe	E63/1875	Western Australia	Application	100%	100%
Bremer	E63/1885	Western Australia	Application	100%	100%
Westonia	E77/2444	Western Australia	Application	100%	100%
Aries	E80/5027	Western Australia	Granted	100%	100%
Cummins Range	E80/5091*	Western Australia	Application	100%	100%
Joyners	M53/1078-I	Western Australia	Granted	20%	20%
Prospect Ridge	EL5/2016**	Tasmania	Granted	100%	100%

\* Tenement held or applied for through JRL's wholly-owned subsidiary, Eastmin Pty Ltd

\*\*Tenement held or applied for through JRL's wholly-owned subsidiary, HiTec Minerals Pty Ltd